



BY COURRIER

March 19, 2007

Phat Fashions LLC  
512 Seventh Avenue  
43<sup>rd</sup> Floor  
New York, NY 10018

Attention : Mr. Bernt Ullmann

Re: Phat Fashions/Tornado Imports  
Amended License Agreement

Dear Bernt:

You will recall that in March 2006 Phat Fashions and Tornado Imports agreed to the amendment of the License Agreement and we returned to Eli B. Nathanson two signed originals for signing by Phat Fashions which has always been forthcoming.

In virtue of the terms of the Amended License Agreement, we are obliged to give notice between March 1 and June 30, 2007 of our intention to exercise the Third Option covering the period of January 1, 2008 to December 31, 2010. The present letter constitutes notice of exercise of the Third Option.

We are also transmitting a copy of this notice to Kellwood Company and Pryor Cashman as required under the Amended License Agreement.

Trusting all is satisfactory, we remain,

Yours truly,  
TORNADO IMPORTS (CANADA) INC.

Per :   
ISSIE WISEMAN

C.C. - Kellwood Company  
Pryor Cashman Sherman & Flynn LLP